

# HMO Medicare Supplement Part D Pricing Options (Based on Proposed 2007 Premiums)

## Blue Shield

Option Type	Rx Detail			2007 Proposed Single Party Premium	Premium Decrease	Percent of Reduction Applied to:	
						Co-payment	Premium
2007 Current Program Design							
Current Design	Drug Type	Retail	Mail	\$318.95			
	Generic	\$5	\$10				
	Brand Formulary	\$15	\$25				
	Brand Non-Formulary	\$45	\$75				
2007 Health Plan Based PDP / 3 Choices							
(1) Premium Reduction Only							
PDP Premium Buydown	(Same as Current Design)			\$268.95	\$50.00	0%	100%
(2) Pharmacy Co-payment Reduction							
Current Premium with Co-payment Reduction	Drug Type	Retail	Mail	\$318.46	\$0.49	100%	0%
	Generic	\$1	\$3				
	Brand Formulary	\$4	\$6				
	Brand Non-Formulary	\$11	\$19				
(3) Combination: Reduced Pharmacy Co-payments and Decreased Premiums							
A. \$0 Generic	Drug Type	Retail	Mail	\$292.59	\$26.36	47%	53%
	Generic	\$0	\$0				
	Brand Formulary	\$10	\$15				
	Brand Non-Formulary	\$45	\$75				

As of June 20, 2006.

**HMO Medicare Supplement Part D Pricing Options (Based on Proposed 2007 Premiums)****Kaiser**

Option Type	Rx Detail			2007 Proposed Single Party Premium	Premium Decrease
2007 Current Program Design					
Current Design	Drug Type	Retail	Mail	\$289.68	
	Generic	\$5	\$10		
	Brand Formulary	\$15	\$25		
	Brand Non-Formulary	\$45	\$75		
2007 Health Plan Based PDP / 2 Choices					
(1) Premium Reduction Only					
PDP Premium Buydown <sup>1</sup>	(Same as Current Design)			\$289.68	\$0.00
(2) Pharmacy Co-payment Reduction					
A. \$0 Generic <sup>2</sup>	Drug Type	Retail	Mail	\$313.61	(\$23.93)
	Generic	\$0	\$0		
	Brand Formulary	\$10	\$15		
	Brand Non-Formulary	\$45	\$75		

As of June 20, 2006.

<sup>1</sup>Kaiser would not reduce its premium under this scenario because Kaiser already included the CMS reimbursement in its proposed 2007 Medicare premium.

<sup>2</sup>To continue our standard benefit design across all plans, Kaiser would adopt the same co-payment structure resulting in a premium increase of \$23.93 to account for the reduced pharmacy co-payments. The 2007 single party premium of \$313.61 would yield a 43.5% increase over 2006.

**HMO Medicare Supplement Part D Pricing Options (Based on Proposed 2007 Premiums)****WHA**

Option Type	Rx Detail			2007 Proposed Single Party Premium	Premium Decrease
2007 Current Program Design					
Current Design	Drug Type	Retail	Mail	\$296.86	
	Generic	\$5	\$10		
	Brand Formulary	\$15	\$25		
	Brand Non-Formulary	\$45	\$75		
2007 Health Plan Based PDP					
Pharmacy Co-payment Reduction					
A. \$0 Generic <sup>1</sup>	Drug Type	Retail	Mail	\$322.86	(\$26.00)
	Generic	\$0	\$0		
	Brand Formulary	\$10	\$15		
	Brand Non-Formulary	\$45	\$75		

As of June 20, 2006.

<sup>1</sup>To continue our standard benefit design across all plans, WHA would adopt the same co-payment structure resulting in a premium increase of \$26.00 to account for the reduced pharmacy co-payments. The 2007 single party premium of \$322.86 would yield a 16.4% increase over 2006.

## PERS Choice Medicare Supplement Part D Pricing Options (Based on 2007 Premiums)

Option Type	Rx Detail				2007 Single Party Premium	Premium Decrease	Percent of Reduction Applied to:	
							Co-payment	Premium
2007 Current Program Design								
Current Design	Drug Type	Retail Short Term	Retail Maintenance	Mail	\$341.75			
	Generic	\$5	\$10	\$10				
	Brand Formulary	\$15	\$25	\$25				
	Brand Non-Formulary	\$45	\$75	\$75				
	Brand Non-Formulary <sup>1</sup>	\$30	\$45	\$45				
2007 Health Plan Based PDP / 3 Choices								
(1) Premium Reduction								
PDP Premium Buydown	(Same as Current Design)				306.52	35.23	0%	100%
(2) Pharmacy Co-payment Reduction								
Current Premium with Co-payment Reduction	Drug Type	Retail Short Term	Retail Maintenance	Mail	343.36	(1.61) <sup>1</sup>	100%	0%
	Generic	\$3.00	\$6.00	\$6.00				
	Brand Formulary	\$9.00	\$15.00	\$15.00				
	Brand Non-Formulary	\$27.00	\$45.00	\$45.00				
	Brand Non-Formulary <sup>2</sup>	\$18.00	\$27.00	\$27.00				
(3) Combination: Reduced Pharmacy Co-payments and Decreased Premiums								
A. \$0 Generic	Drug Type	Retail Short Term	Retail Maintenance	Mail	316.66	25.09	29%	71%
	Generic	\$0	\$0	\$0				
	Brand Formulary	\$10	\$15	\$15				
	Brand Non-Formulary	\$45	\$75	\$75				
	Brand Non-Formulary <sup>2</sup>	\$30	\$45	\$45				

As of June 20, 2006.

<sup>1</sup>To apply CMS reimbursement for a pharmacy co-payment buydown only and use co-payments rounded to the nearest dollar, a small increase in premium results.<sup>2</sup>Medically necessary waiver of brand non-formulary co-payment.

## PERSCare Medicare Supplement Part D Pricing Options (Based on 2007 Premiums)

Option Type	Rx Detail				2007 Single Party Premium	Premium Decrease	Percent of Reduction Applied to:	
							Co-payment	Premium
2007 Current Program Design								
Current Design	Drug Type	Retail Short Term	Retail Maintenance	Mail	\$371.68			
	Generic	\$5	\$10	\$10				
	Brand Formulary	\$15	\$25	\$25				
	Brand Non-Formulary	\$45	\$75	\$75				
	Brand Non-Formulary <sup>1</sup>	\$30	\$45	\$45				
2007 Health Plan Based PDP / 3 Choices								
(1) Premium Reduction								
PDP Premium Buydown	(Same as Current Design)				336.75	34.93	0%	100%
(2) Pharmacy Co-payment Reduction								
Current Premium with Co-payment Reduction	Drug Type	Retail Short Term	Retail Maintenance	Mail	375.31	(3.63) <sup>1</sup>	100%	0%
	Generic	\$3.00	\$6.00	\$6.00				
	Brand Formulary	\$9.00	\$15.00	\$15.00				
	Brand Non-Formulary	\$27.00	\$45.00	\$45.00				
	Brand Non-Formulary <sup>2</sup>	\$18.00	\$27.00	\$27.00				
(3) Combination: Reduced Pharmacy Co-payments and Decreased Premiums								
A. \$0 Generic	Drug Type	Retail Short Term	Retail Maintenance	Mail	347.29	24.39	30%	70%
	Generic	\$0	\$0	\$0				
	Brand Formulary	\$10	\$15	\$15				
	Brand Non-Formulary	\$45	\$75	\$75				
	Brand Non-Formulary <sup>2</sup>	\$30	\$45	\$45				

As of June 20, 2006.

<sup>1</sup>To apply CMS reimbursement for a pharmacy co-payment buydown only and use co-payments rounded to the nearest dollar, a small increase in premium results.<sup>2</sup>Medically necessary waiver of brand non-formulary co-payment.